

Minority–Woman–Small Business Enterprise (MWSBE)

2011 Annual Report

Department of Public Works
City of Milwaukee

Contents

	Page
Residents Preference Program 2011 Report	
Summary	2
Descriptions	
[Exhibit A-C]	3
Exhibit A	5
[Summary of MWSBE Performance by Year]	
Exhibit B	8
[MWSBE Monthly Report]	
Exhibit C	9
[MWSBE Performance]	
Exhibit D	11
[First-Time Prime Contractors 2009, 2010 & 2011]	
Exhibit E	12
[MWSBE General Provisions]	

December 2012

MINORITY-WOMAN-SMALL BUSINESS ENTERPRISE PROGRAM 2011 REPORT

The Department of Public Works requires Emerging Business Enterprise participation in almost all of its formal public works contracts. The rare exceptions are those projects where certified MWSBE firms are not available for the particular work involved. On occasion, specialized projects will require the services of non-MWSBE contractors headquartered outside the city or state.

Despite occasional individual exceptions, DPW makes every effort to average more than 18 percent MWSBE participation for. This occurs despite having a limited number of contracts every year that have either no MWSBE requirement or a requirement of less than the standard 18 percent. Maximizing MWSBE opportunities on those contracts where MWSBE firms are available helps achieve 25% average. Many of its contract work overall DPW's formal contracts carry MWSBE requirements of 20 percent or higher. As of the writing of this report, 104 contracts were closed, of which 73 of them had MWSBE requirements that ranged from 20 to 31 percent. The average MWSBE rates for 2008, 2009, 2010 and 2011 contracts were as follows:

Contract Year	Average MWSBE Rate	Achieved MWSBE Rate
2008	17.4%	23.8%
2009	18.6%	24.1%
2010	22.5%	27.4%
2011	22.3%	26.2%

*These statistics were assembled from contracts closed on or before December 01, 2012, 2011 and may change to reflect the closure of subsequent contracts. Also, the Achieved MWSBE Rate was calculated based upon the *final cost* amount of each project

Typically the MWSBE office provides a running analysis of MWSBE performance which is valuable in terms of evaluating the overall compliance with the program but does not present the direct relationship between required and actual achievements on individual contracts.

Exhibit A: Compares Required MWSBE percentages and Actual MWSBE percentages for closed contracts. This data allows for a direct performance assessment of each contractor. This table also illustrates that closed 2011 contracts are averaging an MWSBE requirement of about 22.3%. More importantly, the actual MWSBE performance rate, as opposed to the required rate, is about 26.2% based on the final cost.

As of August 10, 2009 the target rate for MWSBE participation was adjusted from 18% to 25%. As this 25% target rate is applicable to all current participants of the program, DPW contracts closed in 2010 and 2011 as of December 1, 2012 are achieving 27.4% and 26.2% respectively.

Not all contractors actually achieve the level of MWSBE participation established in their contracts. As of December 1, 2012, (71) 2010 and (47) 2011 contracts have been closed. Seven (7) 2010 contracts have fallen short of their required MWSBE participation rates. And twelve (12) 2011 contracts have fallen short of their required MWSBE participation rates.

In some cases, shortfalls can be attributed to changes in the original work expectations as the project progressed. For example virtually all sewer or water main relay contracts require pavement restoration. Typically this type of work is performed by MWSBE firms. Some of these relay projects precede a paving project. If the timing is such that the paving contract is occurring immediately after the underground work, then restoration is no longer needed. In another cases, the prime contractor is unable to find any MWSBE firms to perform the necessary work on the project. The MWSBE office has in the past been consulted to help find MWSBE firms that can be introduced to prime contractors.

As mentioned, seven (7) 2010 contracts have fallen short of their required MWSBE participation rates. And twelve (12) 2011 contracts have as well fallen short of their required MWSBE participation rates. Despite some contractor shortfalls in regards to target MWSBE rates, it should be noted that all of the 2010 & 2011 closed contracts to date have achieved and exceeded their MWSBE participation requirements.

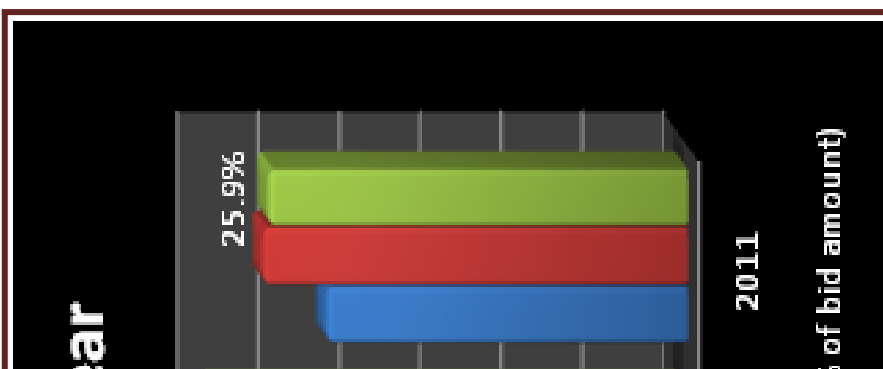
In the event that a contractor cannot meet the MWSBE requirement without offering a sufficient explanation, DPW will issue an initial warning, with subsequent offenses resulting in possible debarment.

Exhibit B: DPW's formal contracting activities account for the vast majority of the Department's contract expenditures. In 2011, DPW awarded **\$63,104,221** in formal contracts and **\$1,972,539** in professional service contracts. As of 2005, DPW's Contract Administration office has been composing monthly MWSBE reports that include summary statistics for service contracts as well as conventional contracts. An example of the Department's monthly MWSBE summary report is attached as Exhibit B. The report can be found on the DPW website contracts page under "Monthly MWSBE Report" (http://www.mpw.net/services/bids_home).

Service contracts within all DPW Divisions typically show a lower rate of MWSBE participation because they include money spent to pay utility bills or other municipalities for service provided to the City. In some instances, an MWSBE opportunity is not possible. Consequently, the inclusion of these non-MWSBE service contracts results in a reduction of the average MWSBE rate.

Exhibit C: Illustrates the MWSBE requirements and performance for the closed 2011 contracts based on the type of project. The project types in this analysis include Buildings & Fleet, Paving, Sewer, and Water. The chart below indicates that each project category performed in excess of the 25% rate as required by City ordinance, except for the Sewer division, which fell short by 3.7%. Buildings and Fleet is the highest with a MWSBE participation rate of 34.2%.

The Actual Final Cost column shows the Sewer projects are currently responsible for about \$23.7 million in closed contracts. This is followed by Paving (\$19.9 million), Water (\$8 million) and Buildings and Fleet (\$1.8 million) in closed contracts for 2011.



Required MWSBE percentages and Actual MWSBE percentages for closed contracts

MWSBE: Years 2006-2011

Exhibit A: Cont.

Required MWSBE percentages and Actual MWSBE percentages for closed contracts originating in 2011

MWSBE % of Final Cost

- ✚ The above graph illustrates a running average of total contracts closed (2006-2011) by percentage (%) of Final Cost & percentage (%) of Bid Amount.
- ✚ In the past six (6) years **MWSBE performance has exceeded MWSBE requirements** in both percentage (%) of Final Cost & percentage (%) of Bid Amount.
- ✚ At the time of this report years 2010 & 2011 are exceeding MWSBE requirements at **29.5% (2010) & 25.9% (2011)** of Bid Amount

NO.	CONTRACTOR	CONTR. NO.	TYPE OF PROJECT	DESCRIPTION OF PROJECT	EBE Required (%)	EBE Performed (% of final cost)
1	MJ Construction	C523110002	PAV	Sanitary Sewer Main Relay	26.0%	29.7%
2	American Sewer Services	C523110003	SEW	Combined Sewer Relay	16.0%	30.1%
3	Willkomm Excavating	C523110004	SEW	Storm Sewer Main Installation	24.0%	7.5%
4	Arteaga Construction	C523110005	PAV	EECBG AHU-8 Replacement (Ziedler Building)	25.0%	19.9%
5	Rawson Construction	C523110007	SEW	Sanitary Bypass and Lift Station Inspection	N/A	N/A
6	Visu-Sewer	C523110009	SEW	Sanitary Sewer Main Lining	11.0%	15.1%
7	Musson Bros. Inc.	C523110010	SEW	Private Plumbing Rehabilitation	7.0%	9.5%
8	C.W. Purpero	C523110014	PAV	Ditch Grading	25.0%	36.7%
9	MJ Construction	C523110015	SEW	Sanitary and Storm combined main relay	24.0%	25.5%
10	MJ Construction	C523110016	SEW	Combined Sewer Relay and Lining	18.0%	28.9%
11	Milwaukee General	C523110023	PAV	Construction of concrete, sidewalk, sodding, etc.	25.0%	28.4%
12	Milwaukee General	C523110024	PAV	Construction of Concrete Pavement	25.0%	27.2%
13	Milwaukee General	C523110025	PAV	Construction of concrete, sidewalk, sodding, etc.	25.0%	30.1%
14	MJ Construction	C523110029	SEW	Sanitary Sewer Main Relay	25.0%	36.8%
15	Stark Asphalt	C523110033	PAV	Construction VT Asphalt Pavement	25.0%	27.8%
16	Milwaukee General	C523110034	PAV	Construction of Concrete Pavement	25.0%	27.9%
17	Milwaukee General	C523110036	PAV	Construction of Concrete Pavement	25.0%	25.1%
18	MJ Construction	C523110039	SEW	Sanitary Manhole Rehabilitation	19.0%	20.0%
19	Stark Asphalt	C523110040	PAV	Construction of Concrete Pavement	25.0%	45.7%
20	Arteaga Construction	C523110041	B&F	Anderson Water and Municipal Building Exterior Rpr	25.0%	34.7%
21	Mainline Sewer and Water	C523110042	SEW	Storm Sewer Main Installation	15.0%	7.9%
22	American Sewer Services	C523110044	SEW	Sanitary, combined & storm sewer main relays	28.0%	29.5%
23	MJ Construction	C523110045	SEW	Combined Storm and Sewer Main Relay	25.0%	32.1%
24	MM Schranz Roofing, Inc.	C523110046	B&F	Central repair garage heavy side re-roofing	25.0%	32.3%
25	Rawson Construction	C523110048	SEW	Bypass Pump Rehabilitation	10.0%	10.0%
26	MJ Construction	C523110060	SEW	Sanitary Main Relay, Lining, and Storm Main Install	25.0%	32.9%
27	Burkhart Construction	C523110062	PAV	Lower Level Parking Restoration	25.0%	59.7%
28	Milwaukee General	C523110066	PAV	Construction of Concrete Pavement	25.0%	27.9%
29	DC Burbach	C523110070	PAV	Construction of Concrete Pavement	25.0%	30.5%
30	Stark Asphalt	C523110072	PAV	Construction of VT Asphalt Pavement...	25.0%	23.2%
31	MJ Construction	C523110073	SEW	Sanitary and Storm Sewer Main Relay	25.0%	24.5%
32	MJ Construction	C523110074	SEW	Sanitary Sewer Main Relay, Combined and Lining..	23.0%	22.3%
33	Snorek Construction	C523110078	PAV	Sidewalk Replacement Work	25.0%	24.6%
34	Milwaukee Concrete	C523110079	PAV	Sidewalk Replacement Work	25.0%	25.8%
35	Stark Asphalt	C523110083	PAV	Construction of VT Asphalt Pavement	25.0%	29.9%
36	Milwaukee General	C523110086	PAV	Construction of VT Asphalt Pavement	25.0%	24.9%
37	Snorek Construction	C523110087	PAV	Construction of VT Asphalt Pavement...	25.0%	25.0%
38	Snorek Construction	C523110089	PAV	Construction VT Asphalt Pavement	25.0%	24.7%
39	Milwaukee General	C523110093	PAV	Construction of VT Asphalt Pavement	25.0%	24.5%
40	Zenith Tech	C523110095	B&F	Debris Netting Install	5.0%	4.1%
41	Smithsonian Materials	C523110096	REC	Hawthorne Glen Trail Rehab	N/A	
42	Milwaukee General	C523110100	PAV	Construction of concrete, sidewalk, sodding, etc.	25.0%	28.5%
43	Stark Asphalt	C523110101	PAV	Construction of VT Asphalt Pavement...	25.0%	35.6%
44	UPI, LLC	C523110112	SEW	Storm Sewer Relay	31.0%	40.6%
45	Paul Crandall & Associates	C523110123	SEW	Reroofing of Sanitation Facility	25.0%	23.4%
46	Globe Contractors	C641110084	WAT	Water Main Relay	8.0%	15.3%
47	United Sewer & Water	C641110119	SEW	Flow Monitoring, Manhole Construction	13.0%	14.0%
				2011 Total		
				2011 Average	22.3%	26.2%

Exhibit A: Cont.

Required MWSBE percentages and Actual MWSBE percentages for closed contracts originating in 2011

MWSBE % of Bid Amount

NO.	CONTRACTOR	CONTR. NO.	TYPE OF PROJECT	DESCRIPTION OF PROJECT	EBE Required (%)	EBE Performed (% of bid amount)
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7	Musson Bros. Inc.	C523110010	SEW	Private Plumbing Rehabilitation	7.0%	9.7%
8	C.W. Purpero	C523110014	PAV	Ditch Grading	25.0%	57.8%
9	MJ Construction	C523110015	SEW	Sanitary and Storm combined main relay	24.0%	25.7%
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19	Stark Asphalt	C523110040	PAV	Construction of Concrete Pavement	25.0%	49.3%
20	Arteaga Construction	C523110041	B&F	Anderson Water and Municipal Building Exterior Rpr	25.0%	38.2%
21	Mainline Sewer and Water	C523110042	SEW	Storm Sewer Main Installation	15.0%	8.2%
22	American Sewer Services	C523110044	SEW	Sanitary, combined & storm sewer main relays	28.0%	30.6%
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40	Zenith Tech	C523110095	B&F	Debris Netting Install	5.0%	6.1%
41	Smithsonian Materials	C523110096	REC	Hawthorne Glen Trail Rehab	N/A	
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47	United Sewer & Water	C641110119	SEW	Flow Monitoring, Manhole Construction	13.0%	13.6%
				2011 Total		
				2011 Average	22.3%	27.9%

Exhibit B:

Monthly MWSBE Report

DEPARTMENT OF PUBLIC WORKS

EBE REPORT FOR FORMAL CONTRACTS

DECEMBER

2011

MONTHLY

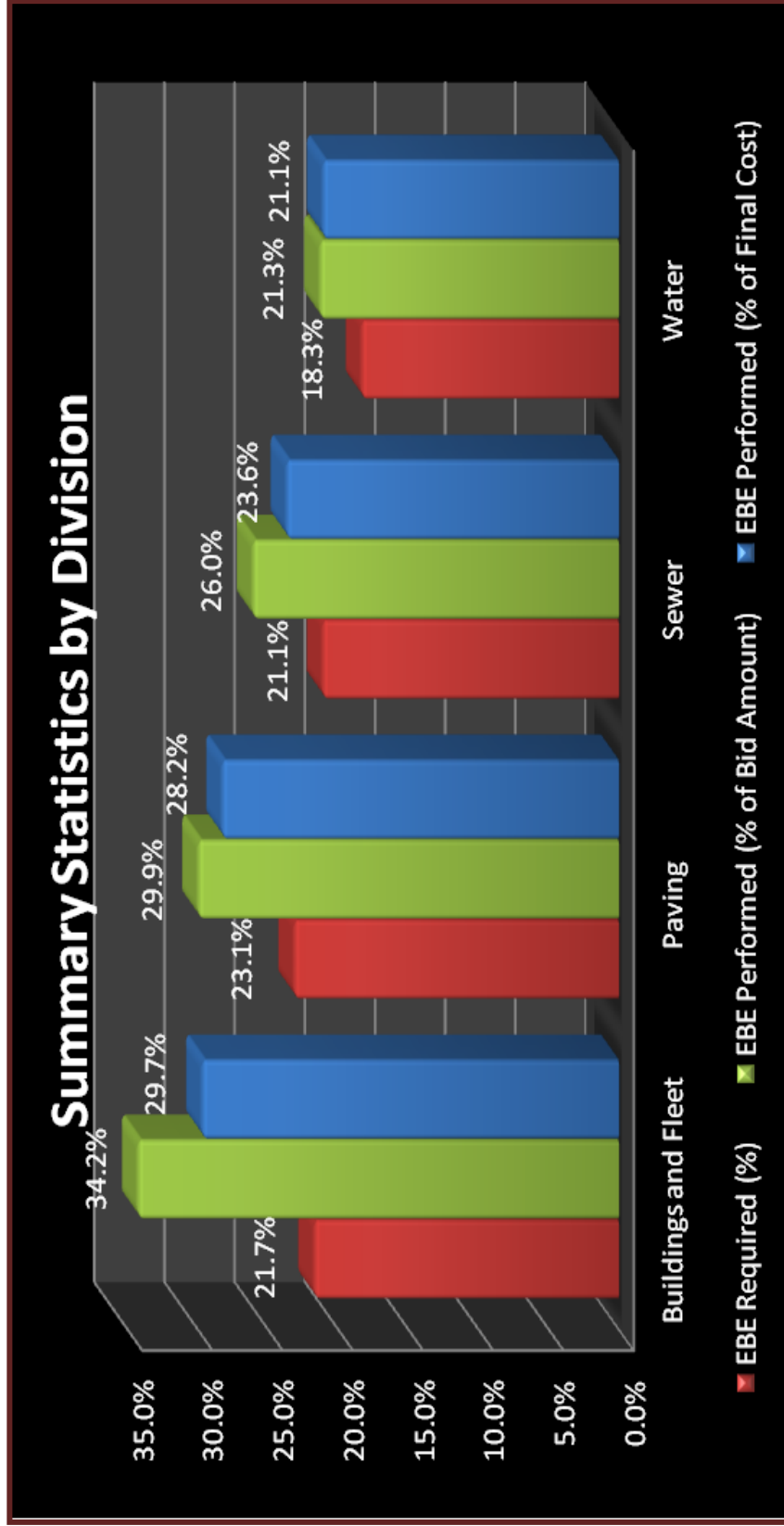
YEAR TO DATE

BUREAU	FORMAL CONTRACTS				FORMAL CONTRACTS			
	YEAR	TOTAL	EBE	EBE	TOTAL	EBE	EBE	
		DOLLARS	DOLLARS	%	DOLLARS	DOLLARS	%	
INFR	2010	\$1,068,002	\$217,039	20.3%	\$42,632,338	\$11,220,049	26.3%	
	2011	\$74,474	\$0	0.0%	\$36,431,726	\$7,667,319	21.0%	
ENVIRO OPS	2010	\$0	\$0	0.0%	\$2,643,501	\$786,628	31.3%	
	2011	\$176,289.00	\$44,072	25.0%	\$3,837,342	\$1,161,627	30.3%	
WATER	2010	\$2,306,863	\$276,012	12.5%	\$17,938,382	\$3,967,262	22.1%	
	2011	\$53,488	\$13,629	25.5%	\$2,578,478	\$421,101	16.3%	
ADMIN	2010	\$0	\$0	0.0%	\$0	\$0	0.0%	
	2011	\$0	\$0	0.0%	\$936,681	\$222,339	23.7%	
FORMAL	2010	\$3,274,865	\$493,051	15.1%	\$63,104,221	\$15,972,939	25.3%	
CONTS TOTAL	2011	\$304,251	\$57,701	19.0%	\$43,784,227	\$9,472,386	21.6%	
PROF. SERV.	2010	\$0	\$0	0.0%	\$4,900,000	\$1,007,052	20.8%	
	2011	\$0	\$0	0.0%	\$1,972,539	\$58,146	2.9%	
SERVICE	2010	\$331,226	\$22,607	6.8%	\$4,451,817	\$656,254	12.6%	
	2011	\$304,251	\$30,701	10.1%	\$5,043,311	\$596,473	11.8%	
DPW	2010	\$3,606,090	\$515,658	14.3%	\$72,455,838	\$17,535,245	24.2%	
	2011	\$608,502	\$88,403	14.5%	\$50,800,077	\$10,127,005	19.9%	

(http://www.mpw.net/services/bids_home)

MWSBE Requirements and Performance for closed 2011 contracts (104 Total Contracts)

MWSBE Performance



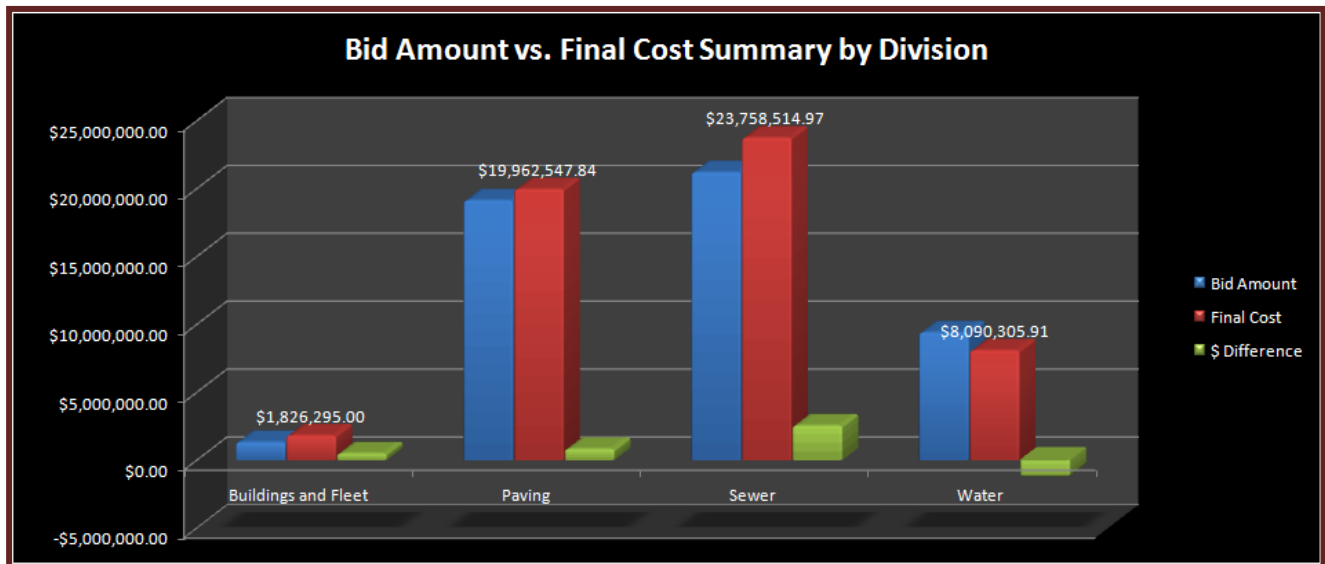
- Each division **surpassed** the 25% threshold for MWSBE participation except for the Sewer Division.
- The Sewer Division fell below the target participation rate by **3.7%**
- Buildings & Fleet Division projects achieved the highest rate of MWSBE participation for 2011 closed contracts with a rate **34.2%**. *(104 Total contracts)

MWSBE Requirements and Performance for closed 2011 contracts (104 Total Contracts)

MWSBE Performance

Bid Amount vs. Final Cost Summary Statistics				
Division	Bid Amount	Final Cost	\$ Difference	% Difference
Buildings and Fleet	\$1,332,238.00	<u>\$1,826,295.00</u>	\$494,057.00	37.08%
Paving	\$19,134,332.41	<u>\$19,962,547.84</u>	\$828,215.43	4.33%
Sewer	\$21,206,524.36	<u>\$23,758,514.97</u>	\$2,551,990.61	12.03%
Water	\$9,414,152.13	<u>\$8,090,305.91</u>	-\$1,323,846.22	-14.06%
All Closed Contracts	<u>\$51,087,246.90</u>	<u>\$53,637,663.72</u>	<u>\$2,550,416.82</u>	<u>4.99%</u>

*(104 Total Contracts)



*(104 Total Contracts)

- ✚ Above the Actual Final Cost graph compares Bid Amount and Final cost for contracts closed in 2011.
- ✚ Sewer Division **\$23.7 million**
- ✚ Paving Division **\$19.9 million.**
- ✚ Water Division **\$8 million.**
- ✚ Buildings & Fleet **\$1.8 million.**

Exhibit D:

First-Time Prime Contractors 2009, 2010, 201, 2012

MWSBE Contractors

2009

1. Walsdorf Roofing Company, Inc.
2. Musson Brothers, Inc.
3. ASC Pumping Equipment, Inc.
4. Alpha & Omega Consulting MWSBE
5. Wilkom Excavating and Grading, Inc.
6. Mechanical Inc.
7. Earth Work Services
8. Diva Plumbing, LLC MWSBE

2010

1. Lake Shore Mobil, Inc. DBA/ City Wide Towing MWSBE
2. Rodriguez Landscaping Company MWSBE
3. Uihlein Electric Co., Inc.
4. Veit Environmental, Inc.
5. Edw. Kraemer & Sons, Inc.
6. Arrow Board Up, Inc.
7. Metropolitan Crane & Hoist Co., Inc.
8. CableCom, LLC. MWSBE
9. Straight Line Fence, LLC

2011

1. Anderson Landscape and Maintenance
2. Midwest Engineering
3. Milwaukee Concrete
4. Safeway Service (Emergency Contract)
5. Terracon Consultants
6. Ultra Mulch
7. Venture Electrical Contractors
8. Zander Solutions

2012

1. T.V. John & Sons
2. Gallagher Asphalt
3. Concrete Masonry Restoration
4. Paul Crandall
5. Poblocki Paving

Exhibit E:

MWSBE Provisions

General Provisions

- A. In accordance with Chapter 370 of the Milwaukee Code of Ordinances, Minority/Women/Small Business Enterprise (M/W/SBE) participation is required in all contracting activities of the Department of Public Works. The ordinance requires that certified MWSBEs be utilized for 25% of the total dollars annually expended through prime contracts or subcontracts for Construction and the purchase of Goods and Services. For the purchase of Professional Services the requirement is 18%. To that end, the Commissioner of Public Works, as a contracting officer for the City, requires all bidders to utilize MWSBEs as subcontractors and material suppliers on all contracts. For this contract, bidders are required to achieve a minimum % MWSBE participation.
- B. The prime contractor shall prepare and submit accurate and timely MWSBE utilization forms and reports to the Department of Public Works. The reports shall include, but not be limited to, Compliance Plan (Form A), monthly utilization (Form D), and MWSBE subcontractor payment certification (Form E) forms as directed. Failure to submit the required forms and reports to the Department of Public Works may result in disqualification of future bids, delay of payments, or other appropriate sanctions. Final contract payments will not be made until final MWSBE utilization reports and MWSBE subcontractor payment certification forms are on file with the Department of Public Works.
- C. During the performance of this contract, the Department of Public Works reserves the right to conduct compliance reviews. If the contractor is not in compliance with the specifications, the Commissioner of Public Works will notify the contractor in writing of the corrective action that will bring the contractor into compliance. If the contractor fails or refuses to take corrective action as directed, the Department of Public Works may take one or more of the actions listed below:
 1. Terminate or cancel the contract, in whole or in part.
 2. Consider possible debarment of the prime contractor from bidding.
 3. Withhold payments on the contract.
 4. Any other remedy available to the City at law or in equity.